



County of Los Angeles CHIEF EXECUTIVE OFFICE

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June 29, 2012

To: Supervisor Zev Yaroslavsky, Chairman
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From: William T Fujioka
Chief Executive Officer

CALFRESH TRAFFICKING (ITEM NO. 56-A, OF FEBRUARY 21, 2012)

In response to the Board Motion of February 21, 2012, introduced by Supervisor Antonovich, this is the second report on the development of a comprehensive program to identify, prosecute and prevent CalFresh trafficking in Los Angeles County. The Department of Public Social Services (DPSS) continues to work with representatives from the Chief Executive Office (CEO), District Attorney (DA), United States Department of Agriculture Food and Nutrition Service (USDA-FNS), USDA-FNS-Office of Inspector General (USDA-FNS-OIG), and California Department of Social Services (CDSS) on the development of a comprehensive approach to prevent CalFresh trafficking.

Since the last report to the Board, the Department has been engaged in the following efforts related to preventing CalFresh trafficking:

1. **DPSS Data Mining:** DPSS has been looking into other jurisdictions and data mining vendors for data mining solutions that have been used to target Electronic Benefit Transfer (EBT) transactions with a focus on CalFresh trafficking. As a result, in March 2012, DPSS evaluated a data mining model implemented in Louisiana that focused on EBT fraud. The Department found some positive aspects with the model, while noting certain limitations due to differences between the jurisdictions. DPSS is currently assessing whether certain positive aspects of the Louisiana model could be replicated and paired with the Data Mining Solution that is currently running in DPSS for Stage 1 Child Care fraud detection and prevention. DPSS is collaborating with our current data mining vendor to analyze three months of Los Angeles County EBT transaction data and examining how this information potentially can be incorporated into our existing data

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mining tools to combat CalFresh trafficking. We will share the results of this analysis and any action taken in future reports to the Board.

2. **DPSS Educational Campaign:** The Department's Educational Campaign to enhance awareness among CalFresh participants that CalFresh trafficking is illegal, and in progress and the materials are expected to be implemented by the end of July 2012.
3. **CDSS CalFresh Trafficking Workgroup:** CDSS convened the newly-formed CalFresh Trafficking Workgroup via teleconference in April 2012 and has held two additional meetings in Sacramento on May 16–17, 2012, and June 13–14, 2012. The Workgroup consists of over 30 representatives from the following agencies: Los Angeles County DPSS and DA, CDSS, USDA, Fresno County, Colusa County, San Bernardino County, San Mateo County, California Welfare Fraud Investigators Association, Riverside City Food Bank, Coalition of County Welfare Rights Organizations, California Work Opportunity and Responsibility to Kids Information Network, Legal Services of Northern California and Western City on Law and Poverty. Workgroup discussions have centered around the following:
 - *FNS Western Regional Offices (WRO) Supplemental Nutrition Assistance Program (SNAP) Recipient Integrity Plan.* FNS is requesting States to develop a plan to reduce the incidents of recipient fraud.
 - *Excessive EBT Card Replacements.* USDA-FNS has proposed a new measure that would provide States the option to require CalFresh recipients to make contact with the State or county agency when there have been excessive requests for card replacements in a year (at least four in a 12-month period). This will provide the opportunity to determine whether the request is legitimate, or requires further investigation. States using the option must also ensure that they protect vulnerable people who lose their cards, but are not committing fraud.
 - *Media Image.* CDSS is attempting to constructively influence the media with the primary purpose of educating the public and making them aware that CalFresh trafficking is illegal and punishable by law.
 - *Social Media.* USDA, CDSS and DPSS continue to aggressively monitor various social networks (i.e., Craigslist, Facebook, Twitter, etc.) for EBT trafficking advertisements and have them immediately removed.
4. **USDA Sanctions:** During the second quarter of Federal Fiscal Year 2012, USDA took final actions to impose sanctions nationwide through fines or temporary disqualifications for retailers that were involved with CalFresh trafficking or otherwise violated program rules. More than 198 stores were violating program rules and 366 stores were permanently disqualified for trafficking in SNAP benefits. DPSS is in the process of following up with USDA to determine if any of the sanctioned retailers are in California or Los Angeles County.

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We will report to the Board in 90 days on the progress of the efforts underway..

If you have any questions or need additional information, please contact Antonia Jiménez at (213) 974-7365, or via email at ajimenez@ceo.lacounty.gov.

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JAB:ljp:gj

c: District Attorney
Executive Officer, Board of Supervisors
County Counsel
Public Social Services

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